



W.P(MD)No.15938 of 2013

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 22.07.2026

CORAM:

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.15938 of 2013

V.Dhamodharan

... Petitioner(s)

vs.

1. Karur Town Co-Operative Bank Ltd.,
Karur.

2. Deputy Registrar,
Co-Operative Deputy Registrar Office,
Karur Circle, Karur.

3. Regional Joint Registrar
Of Co-Operative Societies,
Karur Region,
Karur Collectorate Campus, Karur.

4. S.M.S.Elangovan (Died)

5. Nalini Elangovan

6. Sabarinath Elangovan

7. Praveenraj Elangovan

... Respondent(s)

1/12



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PRAYER : Writ Petition, filed under Article 226 of the Constitution of India, praying this court to issue a Writ of Certiorari, to call for the records in Revision Petition No.1/2011 Sa.Pa. dated 14.12.2012 on the file of the third Respondent and quash the same as illegal ultravires, unconstitutional and capricious and for consequential reliefs.

For Petitioner	: Mr. K.S.Vamsidhar
For R1	: Mr.R.Murali for M/s.K.Govindarajan
For R2 & R3	: Ms.K.R.Shivashankari, Counsel for State
For R5 to R7	: Mr.V.Sugumar

ORDER

Challenging the impugned order dated 14.12.2012 passed by the third respondent, the present writ petition has been filed by the petitioner.

2. The brief facts leading to the filing of the writ petition are as follows:

2.1. The case of the petitioner is that he had availed a loan of Rs.10,00,000/- from the first respondent Bank on 09.08.1999. As security for the said loan, the petitioner mortgaged his land and building situated at SIDCO



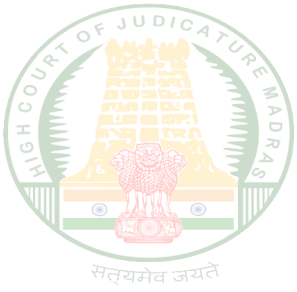
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WEB COPY Industrial Complex, Karur Town, bearing Plot No.6, for the purpose of purchasing machinery required for manufacturing mosquito nets and for meeting the working capital requirements.

2.2. At the time of sanction of the loan, the Government-approved valuer assessed the value of the land and building at Rs.30,98,000/- as on 30.05.1999. Owing to financial difficulties, the petitioner committed default in repayment of the loan.

2.3. Consequently, the dispute was referred for arbitration before the second respondent in A.R.C. No.67 of 2002. By award dated 27.12.2002, the petitioner was directed to pay a sum of Rs.13,54,837/- together with subsequent interest at the rate of 20% per annum.

2.4. Due to non-payment of the award amount, the second respondent brought the secured property for sale by public auction scheduled on 24.11.2004. However, the proclamation was made only on 18.11.2004 by affixture in the office of the Village Administrative Officer.



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2.5. Initially, one Pandian offered a bid of Rs.10,00,000/-. However, the said bid was not accepted and subsequently, the fourth respondent was permitted to offer a bid of Rs.7,25,000/-, which was accepted. According to the petitioner, the sale was the result of collusion between the officials of the Bank and the fourth respondent.

2.6. The statutory procedure governing auction sales requires publication of the sale notice in a widely circulated vernacular newspaper so as to enable more prospective purchasers to participate in the auction and thereby secure the best possible price. Had such procedure been followed, the petitioner would have secured a substantially higher sale consideration.

2.7. The contention of the petitioner is that the authorities ought to have first proceeded against the machinery and only thereafter, if necessary, against the immovable property. Contrary to the statutory procedure, the second respondent sold the petitioner's property in favour of the fourth respondent and issued a sale certificate.



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2.8. Aggrieved by the auction proceedings, the petitioner filed W.P.

No.4690 of 2004 seeking to forbear the respondents from proceeding with the auction and W.P. No.4670 of 2004 challenging the auction proceedings. Initially, this Court granted an interim order on 27.12.2004. Subsequently, the writ petition was dismissed. Aggrieved thereby, the petitioner preferred W.A. No.107 of 2005, wherein the Division Bench granted interim stay on 15.03.2005. According to the petitioner, in violation of the said interim order, the respondents proceeded to deliver possession of the property to the fourth respondent on 11.03.2005 and issued the sale certificate on 16.03.2005.

2.9. Thereafter, the petitioner filed Contempt Petition (MD) No.33 of 2005. By order dated 16.02.2006, this Court dismissed the contempt petition, while granting liberty to the petitioner to work out his remedy before the revisional authority under Section 153 of the Tamil Nadu Co-operative Societies Act.

3. The petitioner also filed an application under Rule 128 seeking to set aside the auction sale, which came to be dismissed. Aggrieved thereby, the



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petitioner preferred a revision under Section 153 of the Act before the revisional authority, which also came to be dismissed.

3.1. Simultaneously, the petitioner challenged the sale certificate before the Co-operative Tribunal by filing C.M.A. (C.S.) No.2 of 2006, which was dismissed on 17.06.2010.

3.2. The petitioner thereafter preferred C.R.P. No.77 of 2011 before this Court. The Civil Revision Petition was disposed of granting liberty to pursue the statutory revision under Section 153 of the Act. Pursuant thereto, the petitioner filed Revision Petition No.1 of 2010 before the Joint Registrar of Co-operative Societies. The said revision was dismissed by order dated 14.12.2012. Challenging the said revisional order, the present writ petition has been filed.

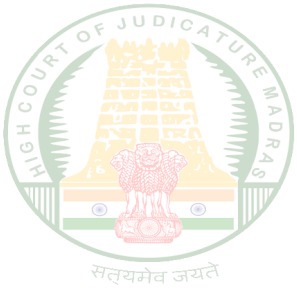
4. The learned counsel for the petitioner submitted that the authorities failed to follow the mandatory procedure governing auction sales and as a result, the petitioner's property, worth more than Rs.30 lakhs, was sold for a meagre sum of Rs.8,70,000/-. According to the learned counsel, the sale



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proclamation was not published in any widely circulated vernacular newspaper as contemplated under the statutory Rules, but was merely effected by affixture, thereby depriving prospective purchasers from participating in the auction. It was further contended that the authorities ought to have first proceeded against the hypothecated machinery before resorting to the sale of the immovable property. The acceptance of a lower bid in preference to a higher offer, without assigning any valid reason, also demonstrates material irregularity in the conduct of the auction. According to the petitioner, these irregularities clearly establish that the auction sale was not conducted in a fair and transparent manner and that the sale was vitiated by fraud and collusion between the official respondents and the fourth respondent. It was further submitted that neither the Co-operative Tribunal nor the revisional authority properly adjudicated the allegations of fraud and material irregularities committed in the conduct of the auction. Since fraud vitiates every judicial and quasi-judicial proceeding, this Court, in exercise of its jurisdiction under Article 226 of the Constitution of India, is empowered to examine the legality of the auction sale and accordingly, he prayed for allowing the writ petition.



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5. Per contra, the learned counsel appearing for the respondents 5 to 7 submitted that the sale certificate was issued in favour of the fourth respondent on 16.03.2005 and possession of the property had already been delivered. Thereafter, the fourth respondent established an industrial unit in the property and has been in possession and enjoyment of the same for nearly two decades. The learned counsel further submitted that all the contentions now raised by the petitioner had already been considered in the earlier rounds of litigation before this Court, the Division Bench, the Co-operative Tribunal and the revisional authority. The petitioner cannot be permitted to reopen the very same issues in a writ petition under Article 226 of the Constitution of India, particularly when the matter involves disputed questions of fact relating to the conduct of the auction and allegations of fraud. Therefore, the writ petition is liable to be dismissed.

6. This Court has carefully considered the rival submissions made by the learned counsel appearing on either side and perused the materials available on record.



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7. The principal contention of the petitioner is that the auction sale was vitiated by fraud, collusion and material irregularities in the conduct of the sale. According to the petitioner, the mandatory procedure prescribed under the Rules was not followed, the sale proclamation was not published in a vernacular newspaper, the hypothecated machinery ought to have been proceeded against before bringing the immovable property to sale and the property was sold for a grossly inadequate price.

8. It is seen from the records that the very same auction proceedings have been the subject matter of several rounds of litigation. The petitioner had earlier challenged the auction proceedings before this Court, the Division Bench, the Co-operative Tribunal and the statutory revisional authority under Section 153 of the Tamil Nadu Co-operative Societies Act. The petitioner also challenged the sale certificate by filing C.M.A. (C.S.) No.2 of 2006 and thereafter preferred C.R.P. No.77 of 2011 before this Court. Ultimately, the petitioner pursued the statutory revision before the Joint Registrar, which also came to be dismissed. Thus, the legality of the auction proceedings has already been examined by the competent forums. Having exhausted the statutory remedies as well as agitated



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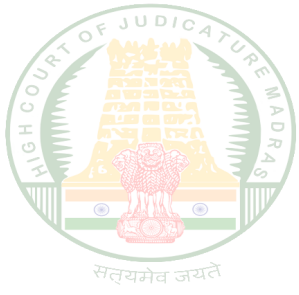
before this Court, the petitioner cannot be permitted to reagitate the very same issues by invoking the extraordinary jurisdiction of this Court. It is also not in dispute that the sale certificate was issued in favour of the fourth respondent in the year 2005 and possession of the property was handed over. Further, the questions relating to the manner in which the auction was conducted, the adequacy of the sale price, the alleged collusion between the officials and the auction purchaser and the alleged procedural violations involve disputed questions of fact, which cannot be adjudicated in proceedings under Article 226 of the Constitution of India, particularly when the competent statutory authorities have already considered the matter.

9. In view of the above, this Court finds no illegality or perversity in the impugned revisional order warranting interference of this Court. Accordingly, the writ petition stands dismissed. No costs.

22.07.2026

NCC : Yes / No
Index : Yes / No
Internet : Yes
PKN

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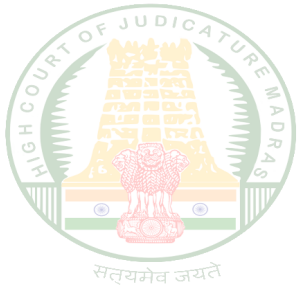
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M.DHANDAPANI,J.

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**ORDER MADE IN
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